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CENTRAL INTELLIGENCE AGENCY

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KMT REPORTS HAI-NAN PLANS;
CCP TO SUPPRESS HONAN BANDITS

HAI-NAN CONDITIONS IMPROVE -- Kung-shang Jih-pao [pro-KMT], 4 Aug 49

Despite widespread unrest on the mainland, Hai-nan is now relatively peaceful. Local Communists are running for cover as the result of political and military pressure, and security has been obtained. The main problems now are pacification and reconstruction.

Nationalist Troops Numerous

Nationalist troops now stationed on the island number more than 100,000, in addition to the local militia. In a population of 3 million, that means a ration of one to 30. A few days ago the governor issued an appeal to the populace to suppress unrest and clear out disorderly elements, and started a campaign to eliminate Communists and begin reconstruction. Police headquarters issued an appeal to Communist officers to return to the KMT side and receive amnesty.

Recent Military Activity

On 25 July 1949 a regiment of the 64th Army marched on Shih-lu, the largest mining area on the island. Local Communists retreated into Wan-ning Hsien, attacking that city and Ho-lo, with Nationalist soldiers in pursuit. From Wen-ch'ang, Ting-an, and Lo-hui, local Communists are fleeing to the mountains. At present, Communists on the island have just two avenues of escape: (1) to break through the lines to the coast, then escape by sea; (2) to go back to their former base in the mountains for a breathing spell. The former is impossible, since Nationalist troops fill the ports and naval craft patrol the seas night and day. It is considered that a campaign of extermination will soon begin in the center of the island.

- 1 -

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Nationalist Strategy

The famous Communist-eradicator, Wang Feng-kang (Ueda 7262, 14370, 2621), enjoys the confidence of Ch'en Chi-tang. His proposals to organize the people and use guerrillas behind enemy lines have been put into effect in model districts. Recently he returned from Kuang-chou, enthusiastic after long talks with Premier Yen Hsi-shan. He has a 15-point plan, calling for an all-out effort by military forces, the government, and the people. He plans to concentrate on guerrilla activities and political agitation, rather than large-scale operations, and is introducing a greater degree of mobility in Nationalist military tactics. The local forces will act as guerrilla units, supported by regular forces organized on customary lines. Local government officials are to be placed in command of local armed forces.

Administrative and Economic Plans

The question of preparing Hsi-nan for status as a province has become the primary consideration of the special district offices (t'ie-sh'u kung-shu). A 31-member provincial preparation committee, approved by the Executive Yuan, has been established, which has drawn up a 15-year reorganization program designed to prepare Hsi-nan, administratively, for provincehood.

Governor Ch'en, besides being concerned with the reconstruction of Hsi-nan, has also been giving his attention to the outlying islands. Lately he has given publicity to a plan for governing the Pratas group and appointed Wang Shu-hua (7262, 2961, 9921) as administrator. Plans are also being formulated for developing other island groups. The navy craft Chung-hsing has left Kuang-chou carrying grain for officers and soldiers on Pratas.

Other places are continuing preparations for war, but Hsi-nan is actively pressing reconstruction. Industries are being moved there. One thousand tons of road construction machinery and 70 modern trucks have been brought from Kuang-chou. Taiwan has consented to moving surplus enemy equipment to Hsi-nan. The electric light plant at Hsi-k'ou has resumed operation. The Kwangtung Industrial Company is helping Hsi-nan and has been seeking a site in Hsi-k'ou for a large textile mill. Broadcasting will soon begin. Many other improvements and new plants are in prospect. Thanks to American aid, food supplies have been sufficient and for a year there is no fear of famine.

HONAN PLANS BANDIT SUPPRESSION -- Ta Kung Pao [pro-CCP], 1 Aug 49

K'ai-feng, 31 Jul 49, NCNA -- The Honan Provincial CCP Committee held its first meeting in June to discuss plans for the suppression of bandits in Honan. Chang Hsi (Ueda: 3065, 7389), secretary of the Honan Provincial Committee, and Ch'en Chor-tao (12864, 9657, 12051), member of the Standing Committee and Commander of the Military District, reported on the bandit situation. They stated that a large number of bandits are still at large throughout the province. The majority of these bandits are remnants of Nationalist troops which harass administrative agencies and economic construction programs within the liberated areas.

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- 2 -

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